



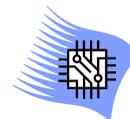
OPTIMIZING THE USE OF VHA'S FEE BASIS CLAIMS SYSTEM (FBCS)

The Fee Basis Claims System (FBCS) Optimization initiative aims to improve, standardize, and optimize the processes of receiving and handling claims from non-VA providers.

Transactional Systems Program

VISN 11 VA Center for Applied Systems Engineering (VA-CASE)

*VHA Fee Basis
Claims System
Optimization*



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Introduction

Sponsored by the Chief Business Office Purchased Care (CBOPC) and supported by the VA-Center for Applied Systems Engineering (VA-CASE), FBCS Optimization is an initiative to improve and standardize the processes associated with the Fee Basis Claims System (FBCS). FBCS is the software currently used to process claims within Non-VA Medical Care Units (NVMCU) across the country. The FBCS Optimization initiative aims to optimize processes between the time a claim is received from a non-VA provider and the time a claim is rejected, denied, or paid. National deployment of FBCS Optimization began in June 2012 and is targeted for completion by September 2014.

Identifying Key Areas for Optimization

In FY10, CBOPC and VA-CASE collaborated with subject matter experts from various NVMCUs across the country to develop standardized business processes to optimize the use of the FBCS software. The following areas were identified as frequent bottlenecks, and therefore targeted as key focus areas for optimization: 1) scanning, 2) verification, 3) distribution and processing, 4) clinical review, and 5) customer service calls. In FY11/FY12, the optimized FBCS processes were piloted at Alpha and Beta test sites. The pilot results showed improved timeliness in processing claims and an increase in the volume of claims processed per day. Based on these outcomes, CBOPC decided to deploy FBCS Optimization at the national level.

Establishing a National Implementation Strategy

The CBOPC/VA-CASE team developed an implementation strategy to deploy FBCS Optimization to all Fee Units within a VISN simultaneously, with deployment occurring at an average of four VISNs per quarter. VISN deployment consisted of three phases totaling 13 months: 1) Pre-Implementation (1 month); 2) Implementation (5 months); and 3) Post-Implementation (7 months). During Pre-Implementation, each Fee Unit completed a Site Survey from which VA-CASE completed a Gap Analysis and a site-specific Implementation Plan. Additionally, a two-day FBCS/claims processing training session was conducted by the National Non-VA Medical Care Program Office (NNPO) Field Assistance Team. During the Implementation phase, the CBOPC/VA-CASE team facilitated weekly calls with each VISN team to provide training on various FBCS Optimization tools, discuss incremental progress towards implementation goals, and answer questions. During Post-Implementation, the team facilitated monthly calls to monitor sustainment of the process changes, and reviewed each site's performance by utilizing the FBCS Optimization Metrics Dashboard.

Deployment Status

As of February 2014, FBCS Optimization was deployed to 20 VISNs. Of these VISNs, 7 have completed Post-Implementation, 9 are in the Post-Implementation phase, and 4 are in the Implementation phase.



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Developing Optimization Deliverables

Deployment Materials: The VA-CASE team developed detailed Implementation Guides, Technical Guides, and Excel-based tools to assist Fee Management in implementing the optimized processes. An Alpha Split tool assisted the NVMCUs in creating a balanced workload for claims processors by assigning letter(s) of the alphabet to each processor based on claim volumes and the number of processors. Staffing tools were developed for mailroom and scanning functions, verification, and a modified call center. The Metrics Dashboard and Monthly Metrics Reports Analysis Tool were used by all participating VISNs/facilities to monitor overall performance. Many of these tools were modified to maximize usability based on feedback from the field, and are now available on the FBCS Optimization Intranet Site.¹

FBCS Optimization Metrics Dashboard: VA-CASE developed an Excel-based standardized Dashboard to track the effectiveness of the FBCS Optimization process changes. The resulting FBCS Optimization Metrics Dashboard was utilized to monitor the performance of NVMCUs throughout the initiative's national deployment and sustainment phases. As shown in Figure 1, the Dashboard utilizes data obtained from FBCS to score performance metrics across multiple categories that are expected to be positively impacted by the optimized processes, including throughput, inventory, and timeliness. The Dashboard then measures performance by comparing this data against established targets.

FBCS Optimization Performance		Select Begin Date	Select End Date	Score		
		Oct-2013	Nov-2013	Oct-13	Nov-13	Average
Performance	Weighted Score ¹			83%	81%	82%
	Baseline Average	68.8%				
	Implementation Average	77.5%				
	Post Average	84.9%				
	Post Improvement Over Baseline	23.4%				

Volume, Throughput, Inventory		Target	Month		
			Oct-13	Nov-13	Average
Volume	Total Claims Received ²		52265	46430	49348
	% HCFA Claims		77%		77%
	% UB Claims		23%	24%	23%
Throughput	Total Claims Processed ³		57105	48200	52653
	Ratio of Processed Claims to Received Claims ⁴	100% ✔	109% ✔	104% ✔	107% ✔
Inventory	Total Claims Pending EOM ⁵		42577	41745	42161
	% of Claims Aged 30 Days or Less EOM ⁶	90% ✘	79% ✘	76% ✘	77% ✘

Timeliness Metrics^{7,13} ✔ Equal to or better than target

		Target	Month		
			Oct-13	Nov-13	Average
1. Verification	1.1. % of Claims Verified within 4 Days of Scanning ⁸	90% ✔	97% 28206 of 28979 ✘	76% 18142 of 23873 ✘	88% 23174 of 26426 ⚠
2. Distribution	2.1. % of Claims Distributed within 4 Day of Verification ¹⁴	90% ✔	98% 51876 of 53125 ✔	98% 44260 of 45352 ✔	98% 48068 of 49239 ✔
3. Adjudication ⁹	3.1. % of Claims Adjudicated within 15 Days of Distribution	90% ✘	48% 27441 of 56609 ✘	48% 24099 of 49834 ✘	48% 25770 of 53222 ✘
4. Processed	4.1. % of Claims Processed within 30 Days of Scanning	90% ✘	62% 35188 of 57105 ✘	65% 31236 of 48200 ✘	63% 33212 of 52653 ✘
	4.2. % of Claims Processed within 7 Days of Adjudication	90% ✔	93% 53209 of 57105 ✔	94% 45213 of 48200 ✔	93% 49211 of 52653 ✔
Monthly Metrics Reports Analysis Tool Version Date ¹³			9/18/2013	9/18/2013	

Figure 1. The FBCS Optimization Metrics Dashboard provides Non-VA Medical Care Unit managers with the ability to identify trends and possible bottlenecks in their process.

¹ Tools are available at: <http://nonvacare.hac.med.va.gov/fbcs/optimization/default.asp>.

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Performance is visually represented on the Dashboard through stop lights, with green representing performance equal to or better than the target, yellow for performance within 10% of the target, and red for performance outside the 10% threshold.

The key performance metric of the FBCS Optimization Metrics Dashboard is a weighted performance score (WPS) comprised of three equally weighted factors serving specific functions: 1) percent of claims pending, aged less than thirty days, to track backlogged claim inventory; 2) ratio of processed claims to received claims, to measure productivity in relationship to claim volume; and 3) percent of claims processed within thirty days, to monitor the timeliness of claims processing. A WPS report, summarizing the facilities' overall performance, is distributed monthly to each participating VISN. An example graph featured in the monthly report is displayed in Figure 2. The graph assesses the change in a VISN's performance over a one year period.

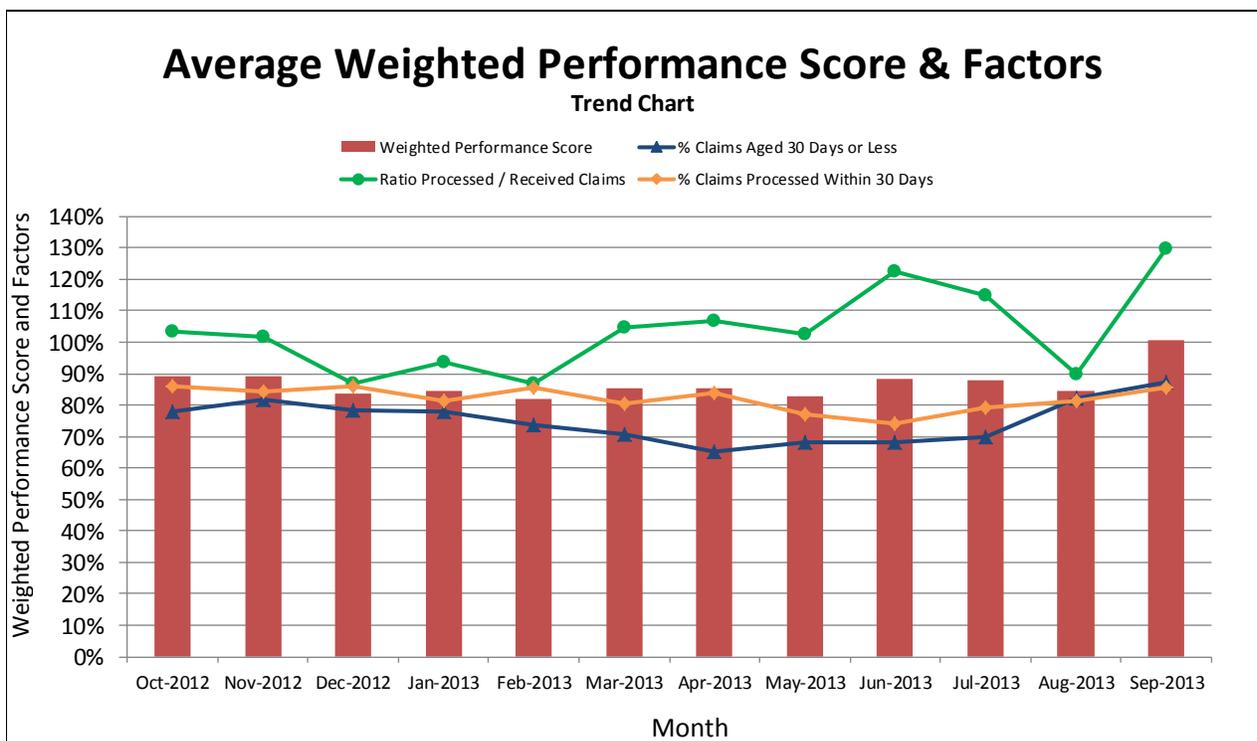


Figure 2. Average VISN WPS and Three Contributing Factors, over 12-Month Period

The FBCS Optimization Metrics Dashboard complements other measurement tools that are available to NVMCU management, such as the FBCS End of Day Report and NNPO Stoplight Report. The differentiator between the Dashboard and these other reporting tools is the enhanced scope of information and level of detail contained in the Dashboard. All data used in the Dashboard is extracted directly from FBCS, which provides an objective report and eliminates the chance of human error that can result from the self-reported data. Additionally, the Dashboard was developed with direct feedback from the field to ensure that information assists the field in identifying bottlenecks and trends. Many NVMCU managers use the

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Dashboard to communicate performance to front-line staff and leadership in their facilities and VISNs.

Centralized Dashboard Data: Reports cannot be generated on a national level within FBCS due to the design of the software and housing of data on several dozen independent servers across the country. In order to overcome this hurdle, the CBO/VA-CASE project team requests that each participating NVMCU upload their Dashboard monthly to the FBCS Optimization SharePoint. The data is then linked to a centralized Excel-based Master Workbook. Centralizing the data allows the project team to create consolidated reports at the VISN and national levels. FBCS Optimization VISN reports are currently created and distributed to NVMCU management on a monthly basis and reviewed on recurring calls with each participating VISN (see Figure 3).

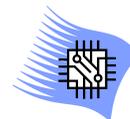


Figure 3. Reports are currently created at the VISN level, distributed to Non-VA Medical Care Unit management on a monthly basis, and reviewed on recurring calls with each participating VISN.

Project Results

Using the twelve-month timeframe immediately preceding Implementation as a Baseline period, VA-CASE assessed performance changes in participating facilities' Baseline and Post-Implementation periods. By February 2014, 61 facilities among VISNs 1, 2, 3, 4, 5, 7, 10, 12, 15, 20, 21, & 22 had experienced at least three months of Post-Implementation. VA-CASE analyzed the percentage improvement in their weighted performance scores (WPSs) from the Baseline into the Post-Implementation periods. Across the 61 facilities, WPSs improved an average of 3 percent.

Although the WPS is an excellent measure for how a site is currently doing, it is not the best measure to determine how a site has improved over time. This is due mainly to the fact that the WPS is strongly influenced by highly fluctuating incoming claim volumes, which can negatively



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impact a site's overall WPS. A more accurate measure to determine overall performance changes is the throughput rate, or total claims processed per month, at a site. When comparing throughput rates between the Baseline and Post-Implementation periods among these 61 facilities, total claims processed per month improved an average of 26 percent.

Spreading FBCS Optimization Tools & Data

Other Non-VA Medical Care groups within CBO have utilized information gathered by the FBCS Optimization project team. Data from the Dashboard was incorporated into the Standing Inventory Elimination Tool recently developed by VA-CASE to assist CBO with their priority of immediately reducing their claims backlog. Additionally, NNPO has made several requests to VA-CASE for FBCS Optimization data that could help sites struggling with claims processing to determine their constraints and need for on-site training. As the reputation of the FBCS Optimization Metrics Dashboard continues to spread, the CBO/VA-CASE team expects that Dashboard data will continue to improve the oversight and management of NVMC claims processing across VHA.